Diversified Royalty Corp. Announces a 6.8% Increase to its Dividend

Vancouver, BC, September 8, 2022 – Diversified Royalty Corp. (TSX: DIV; DIV.DB and DIV.DB.A) (the "Corporation" or "DIV") is pleased to announce a 6.8% increase to its monthly dividend.

The Board has approved an increase to the dividend from $0.01833 per share per month ($0.22 per share on an annualized basis) to $0.01958 per share per month ($0.235 per share on an annualized basis) effective October 2022.

Sean Morrison, President and Chief Executive Officer of DIV stated, "DIV is pleased to announce a 6.8% dividend increase as our royalty partners, on an aggregate basis, experience positive trends consistent with DIV's second quarter earnings results announced August 12, 2022. Following this dividend increase, DIV's annualized dividend of 23.5 cents per share will have fully recovered to pre-pandemic levels, and with a lower payout ratio (pro-forma approximately 92% for Q2, 2022). Management and our Board will continue to monitor the performance of DIV and its royalty partners, and will consider further adjustments to its dividend while maintaining a target annual payout ratio below 100%."

About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from well-managed multi-location businesses and franchisors in North America. DIV's objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors.

DIV currently owns the Mr. Lube, AIR MILES®, Sutton, Mr. Mikes, Nurse Next Door and Oxford Learning Centres trademarks. Mr. Lube is the leading quick lube service business in Canada, with locations across Canada. AIR MILES® is Canada's largest coalition loyalty program. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada. Mr. Mikes operates casual steakhouse restaurants primarily in western Canadian communities. Nurse Next Door is one of North America's fastest growing home care providers with locations across Canada and the United States as well as in Australia. Oxford Learning Centres is one of Canada's leading franchised supplemental education services.

DIV's objective is to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV intends to continue to pay a predictable and stable monthly dividend to shareholders and increase the dividend over time, in each case as cash flow per share allows.

Forward Looking Statements

Certain statements contained in this news release may constitute "forward-looking information" or "financial outlook" within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information or financial outlook. The use of any of the words "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe", "confident", "plan" and "intends" and similar expressions are intended to identify forward-looking information and financial outlook, although not all forward-looking information and financial outlook contain these identifying words. Specifically, forward-looking information and financial outlook in this news release include, but is not limited to, statements made in relation to: the increase to DIV's monthly dividend effective October 2022; management and the Board will continue to monitor the performance of DIV and its royalty partners, and will consider further adjustments to DIV's dividend while maintaining a target annual payout ratio below 100%; DIV's objective to continue to pay predictable and stable monthly dividends to shareholders; and DIV's corporate objectives. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of DIV *to differ materially from those anticipated or implied by such forward-looking information and financial outlook. DIV believes that the expectations reflected in the forward-looking information and financial outlook included in this news release are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that: DIV may not increase its dividend in accordance with the currently expected timing or amounts; there may be no future increases to DIV's dividend; DIV's payout ratio may from time to time exceed 100% notwithstanding DIV's target is a payout ratio below 100%; DIV will be able to make monthly dividend payments to the holders of its common shares; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information and financial outlook included in this news release are not guarantees of future performance, and such forward-looking information and financial outlook should not be unduly relied upon. More information about the risks and uncertainties affecting DIV's business and the businesses of its royalty partners can be found in the "Risk Factors" section of its Annual Information Form dated March 10, 2022 and in its most recent Management's Discussion and Analysis, copies of each of which are available under DIV's profile on SEDAR at www.sedar.com.*

In formulating the forward-looking information and financial outlook contained herein, management has assumed that DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; the impacts of COVID-19 on DIV and its royalty partners will be consistent with DIV's expectations and the expectations of management of each of its Royalty Partners, both in extent and duration; DIV and its royalty partners will be able to reasonably manage the impacts of the COVID-19 outbreak on their respective businesses; the performance of DIV's royalty partners will be consistent with DIV's and its royalty partners' respective expectations; and recent positive trends for DIV's royalty partners (including their respective franchisees) will continue and not regress;. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

To the extent any forward-looking information or statements in this news release constitute a "financial outlook" within the meaning of applicable securities laws, such information is being provided to help investors understand the financial impact to DIV of the increase to its monthly divided.

All of the forward-looking information and financial outlook included in this news release is qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV. The forward-looking information and financial outlook included in this news release is presented as of the date of this news release and DIV assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

Non-IFRS Measures

Management believes that disclosing certain non-IFRS financial measures provides readers with important information regarding the Corporation's financial performance and its ability to pay dividends and the performance of its royalty partners. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about the Corporation and its royalty partners than investors would have if they simply considered IFRS measures alone. The non-IFRS financial measures, non-IFRS ratios and supplementary financial measures do not have standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS measures should not be construed as a substitute or an alternative to cash flows from operating activities as determined in accordance with IFRS.

"Distributable cash per share" and "payout ratio" are non-IFRS ratios that do not have a standardized meaning prescribed by IFRS, and therefore may not be comparable to similar ratios presented by other issuers. Distributable cash per share is defined as distributable cash, a non-IFRS measure, divided by the weighted average number of common shares outstanding during the period. The payout ratio is calculated by dividing the dividends per share during the period by the distributable cash per share, a non-IFRS measure, generated

in that period. The "pro-forma payout ratio" referred to herein is the "payout ratio" as calculated in DIV's management's discussion and analysis for the three months ended June 30, 2022, adjusted to reflect the dividend increase referred to herein as if such dividend had been paid on a monthly basis throughout such period. For further details, refer to the subsection entitled "Non-IFRS Ratios" under "Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures" in the Corporation's management's discussion and analysis for the three and six months ended June 30, 2022, a copy of which is available on SEDAR at www.sedar.com.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

Additional Information

Additional information relating to the Corporation and other public filings, is available on SEDAR at www.sedar.com.

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